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**Integrated Economic Development  
Programs**

Economic Development Appropriations  
Subcommittee

February 3, 2011

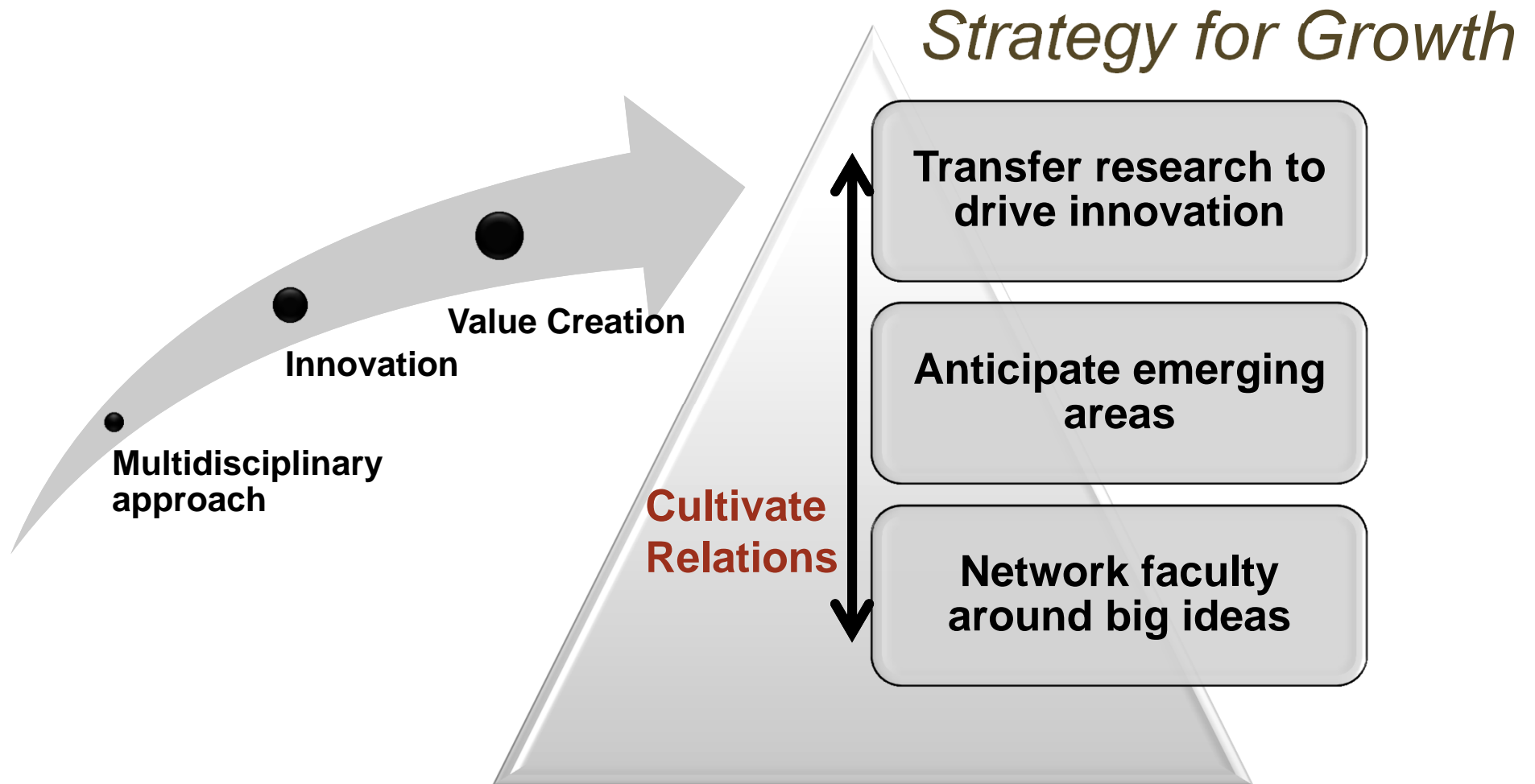
Sharron Quisenberry  
Vice President for Research & Economic Development

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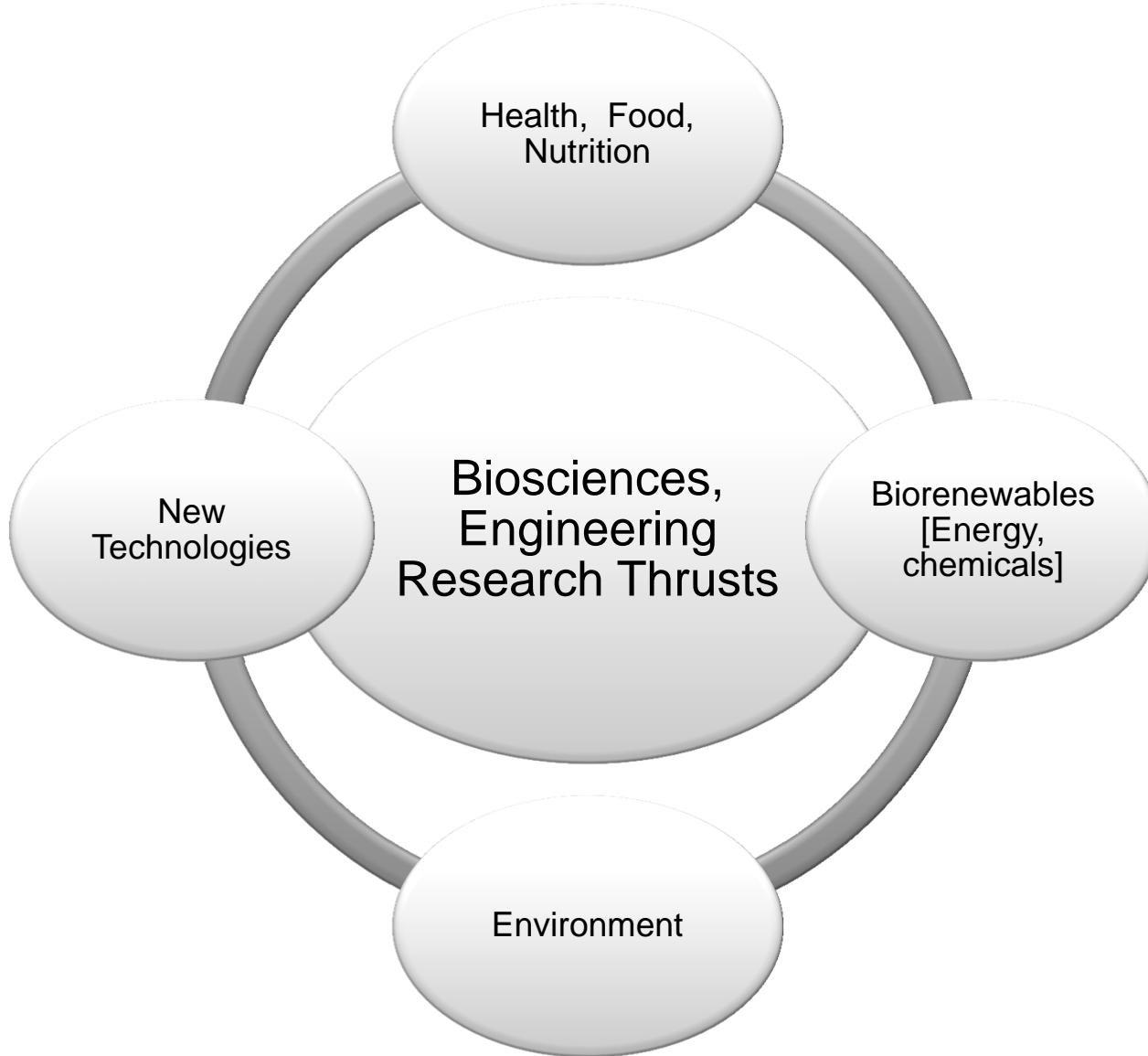
# Transformational Systems Approach for Research and Innovation

- Capacity to change
- Translation of research
  - products,
  - processes,
  - services
- Create, improve, expand business opportunities
- Design, invention, development, implementation
- New value for customers and financial returns
- ***Innovation Council***
  - Public/Private Partnership
  - Universities, Businesses, State Government

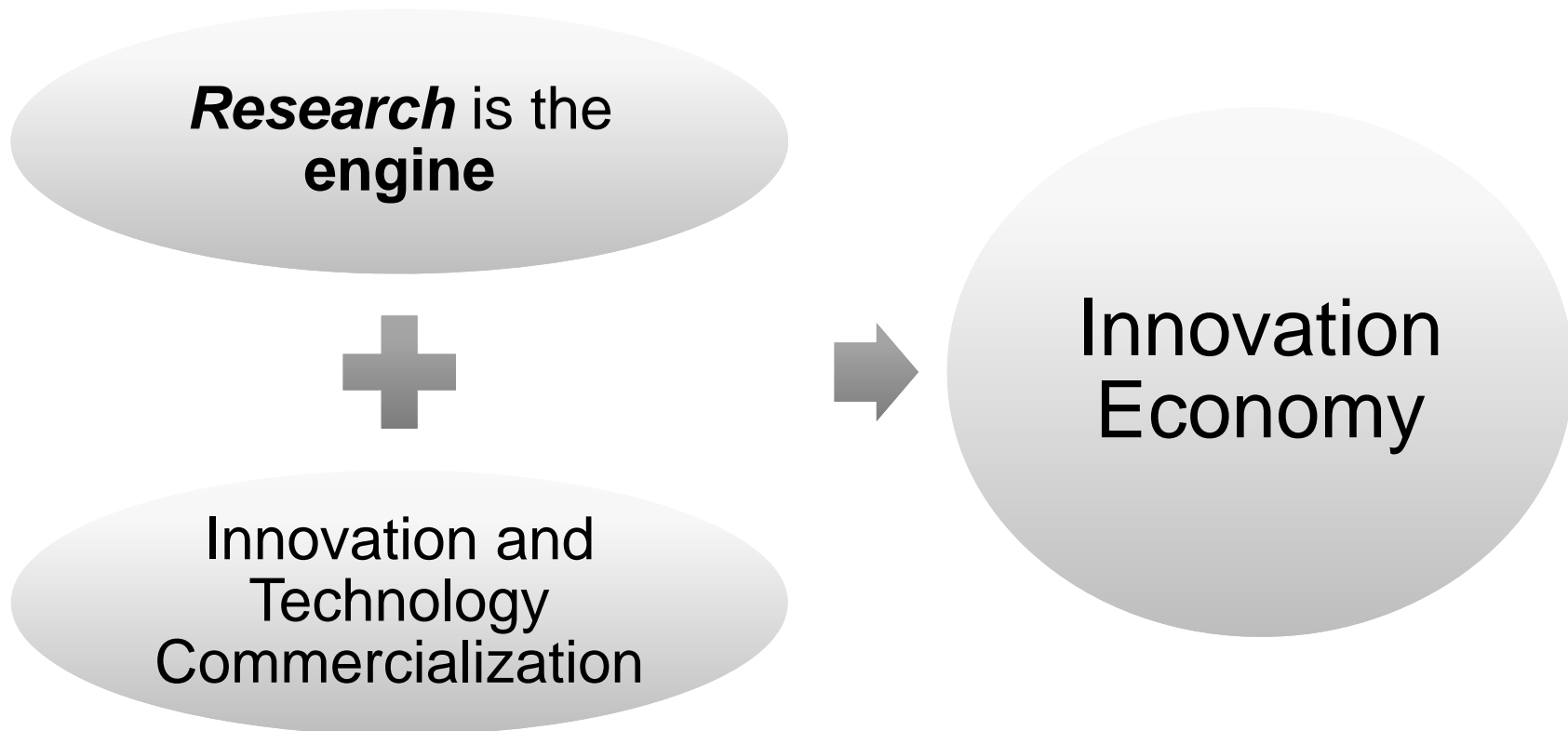
# Strengthening the Research Enterprise



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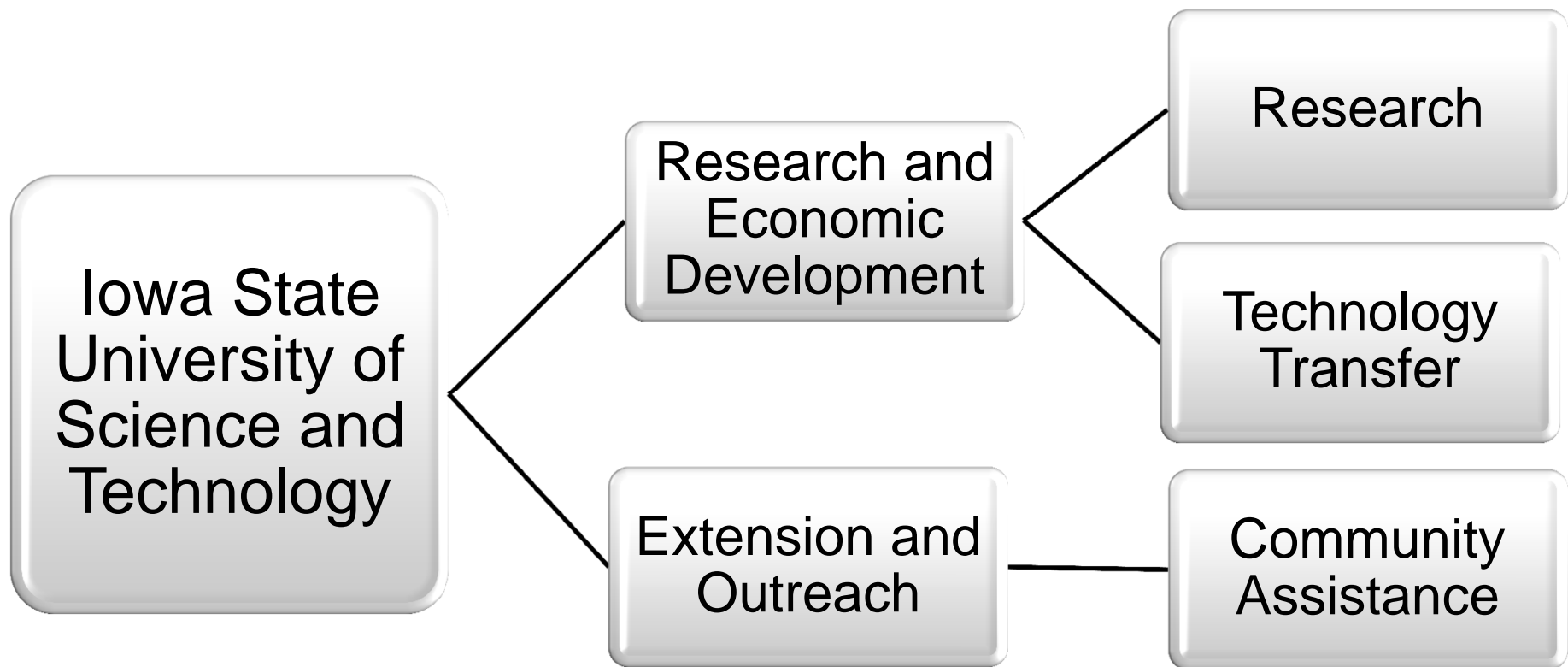


# Innovation Economy



Scientists and Engineers make up only 4% of the U.S. population, but create 96% of the jobs. IOWA STATE UNIVERSITY

# Strengthening Iowa's Economy



# Major Economic Development Collaborative Projects

National  
Science  
Foundation  
(NSF) EPSCoR

Grow Iowa  
Values Fund

Battelle Initiative

Iowa Power  
Fund

State-wide  
Committees

Iowa State has ***leveraged*** this support and more than doubled the research enterprise allowing the creation of new technologies.

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Steve Carter  
Director,  
ISU Research Park

## Research Park

- 10 new tenants and affiliates
- 69 tenants and affiliates employing 894 people
- 55 companies have left Research Park and employ over 2000 people
- Company expansions have included WebFilings, NewLink Genetics, and Harrisvaccines

## Funding Sources

Self Generated (Leases)	\$3,800,000
State Generated Funds	\$ 130,010
State GIVF	\$ 200,000

## Impact of State Funding

Support the cost of incubating new companies, attracting new technology companies, and assisting current tenant companies to secure the resources they need to grow.



Mike Upah  
Program Manager,  
Pappajohn Center  
for Entrepreneurship

## Pappajohn Center

- Business development assistance to **269** entrepreneurs
- Over **5,000** students (every college) participated in entrepreneurship educational programs, 2008-2010

### Funding Sources

Donors	Varied
State GIVF	\$200,000

### Impact of State Funding

The state funding increases learning opportunities for students and increases resources available to current and prospective entrepreneurs.



Ron Cox  
Director, CIRAS

## Center for Industrial Research and Service (CIRAS)

**Mission.** Enhance the performance of Iowa industry through applied research, education, & technical assistance.

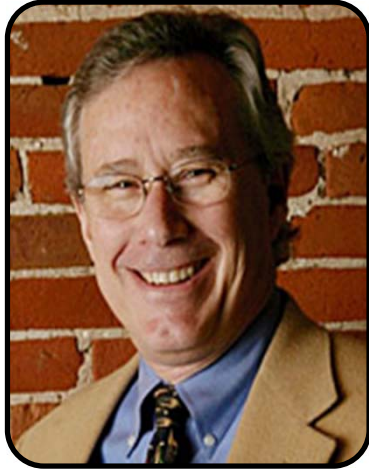
- 97 counties received assistance or attended workshops
- Over the past five years, companies reported 13,173 jobs created or retained, \$69.2M in retained or increased sales

### Funding Sources

- \$1.7 million/year ISU Extension line to CIRAS
- \$3.9 million/year competitively awarded
- \$0.3 million/year workshop and conference fees

### Impact of State Funding

State funding is used to provide assistance to manufacturers and small businesses in Iowa. CIRAS is able to serve many additional companies by leveraging state funds to win federal contracts, most of which require match. Every \$1 of state funds is used to acquire over \$2 in federal funds.



Jim Heckmann  
Director, SBDC

## Small Business Development Center (SBDC)

- Assisted 2,785 clients; helped raise \$64,380,359 new capital
- Clients created 1,299 new jobs; retained 626 existing jobs
- Presented 306 training workshops to 3,990 people
- Clients increased sales revenues by \$51,362,073

### Funding Sources

SBA	\$1,116,457
State of Iowa (line item)	\$ 994,929
State GIVF	\$ 266,000

### Impact of State Funding

State funding accounts for nearly 50% of program dollars. Federal funding requires a 1:1 match, half of which must be in cash.



Nita Lovejoy, Interim  
Executive Director, ISU  
Research Foundation

## ISU Research Foundation

- \$58M in sales of products by Iowa companies in calendar year 2009
- 32 of the 97 licenses and options executed by ISURF were to Iowa companies in FY2010
- Six of the ten exclusive options and licenses granted were to Iowa Companies (total of 97 licenses and options)
- Support was provided to startup companies to offset rent and expenses
- Technologies licensed in Iowa include a new material (BAM) and specialty soybean varieties

### Impact of State Funding

The ISU Research Foundation is self-supportive and provides funding back to the university to support research and economic development efforts.



Lisa Lorenzen  
Director,  
Industry Relations

## Grow Iowa Values Fund (GIVF)

- 77 projects supported
- More than 50 companies participated
- 25 startup companies assisted, including
- 11 new companies started in 4 years, 3 more pending
- 71 jobs and an annual sales increase of \$9.1M measured on 9 projects
- Recent companies partnered with include WebFilings, BodyViz, Embrai Health, Goodrich, Pioneer, Rockwell Collins, and AATI

### Impact of State Funding

GIVF is the primary source of flexible funding to support research for initiation of startup companies and to seed early stage research that has high potential for commercial success.



George Kraus  
Director, IPRT

## Institute for Physical Research and Technology (IPRT)

- More than 800 company assistance projects in 67 counties last 5 years (FY2006-FY2010)
- Economic impact averaging \$12.8M per year; increased and retained sales, cost savings, and investments

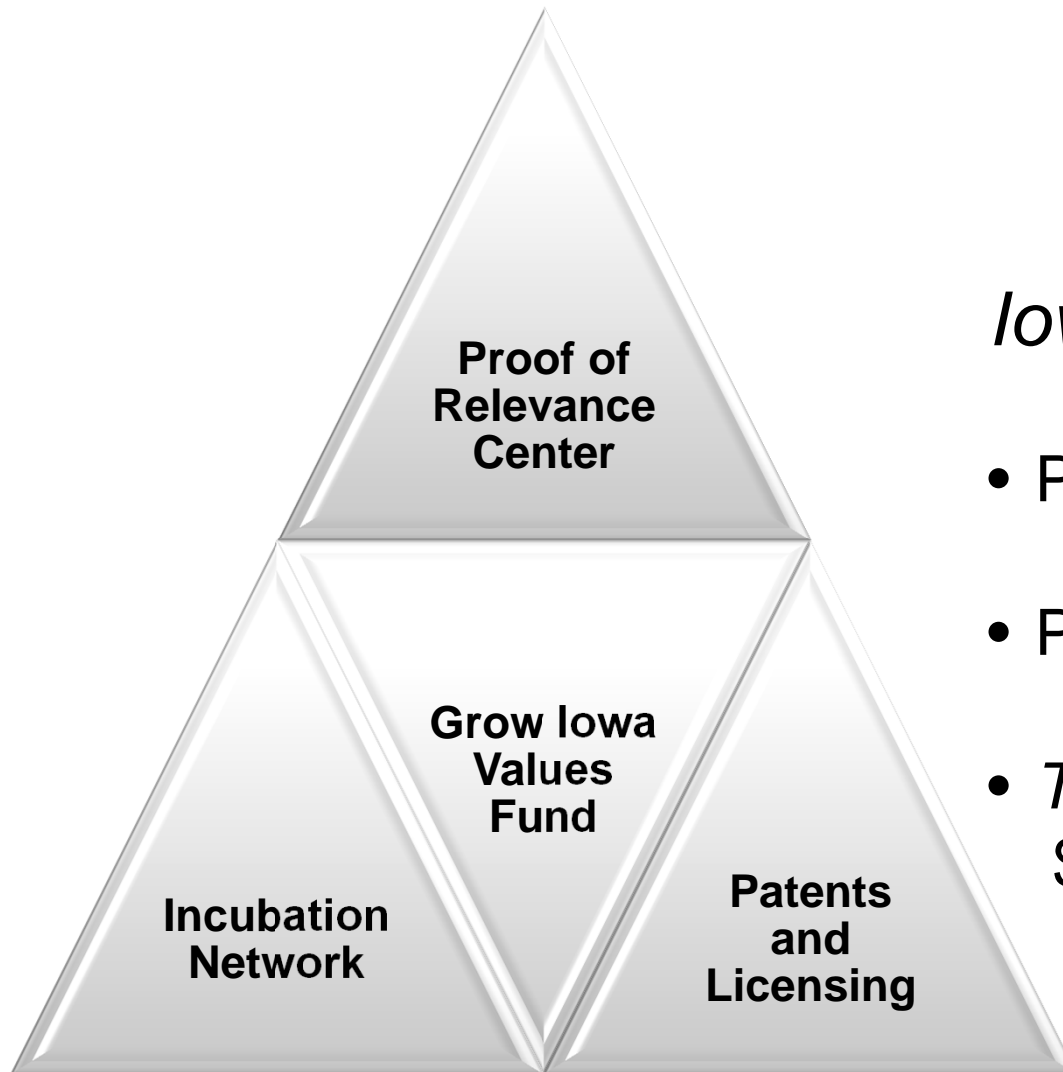
### Funding Sources

State Funds	\$ 1,451,043
State GIVF	\$ 100,000
Federal Funds	\$22,000,000

### Impact of State Funding

IPRT research centers promote economic development in existing and start-up companies, support no-cost technical assistance projects, and provide cost-share funds to create or improve products and processes. The research centers leverage state investments to obtain federal funding for research grants. IPRT Company Assistance programs are completely dependent on state funding to continue operations.

# Proof of Relevance Center



## *Iowa Annual Budget*

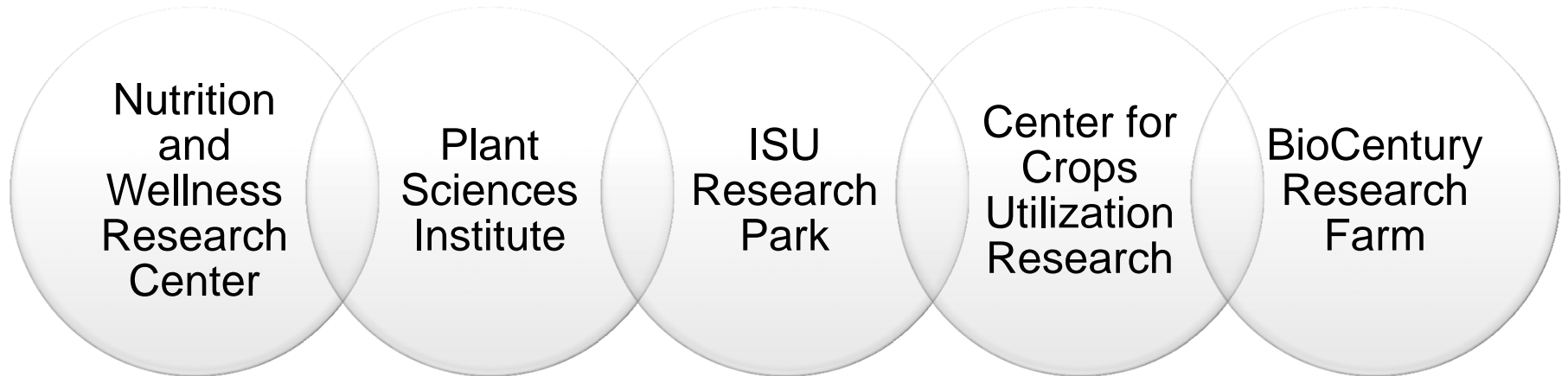
- Phase I. \$800,000
- Phase II. \$1,200,000
- *Total Budget.*  
\$2,000,000

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# Incubation Network

*A coordinated network of incubation and pilot scale facilities at  
Iowa State University . . .*



*Annual Budget*  
• \$150,000

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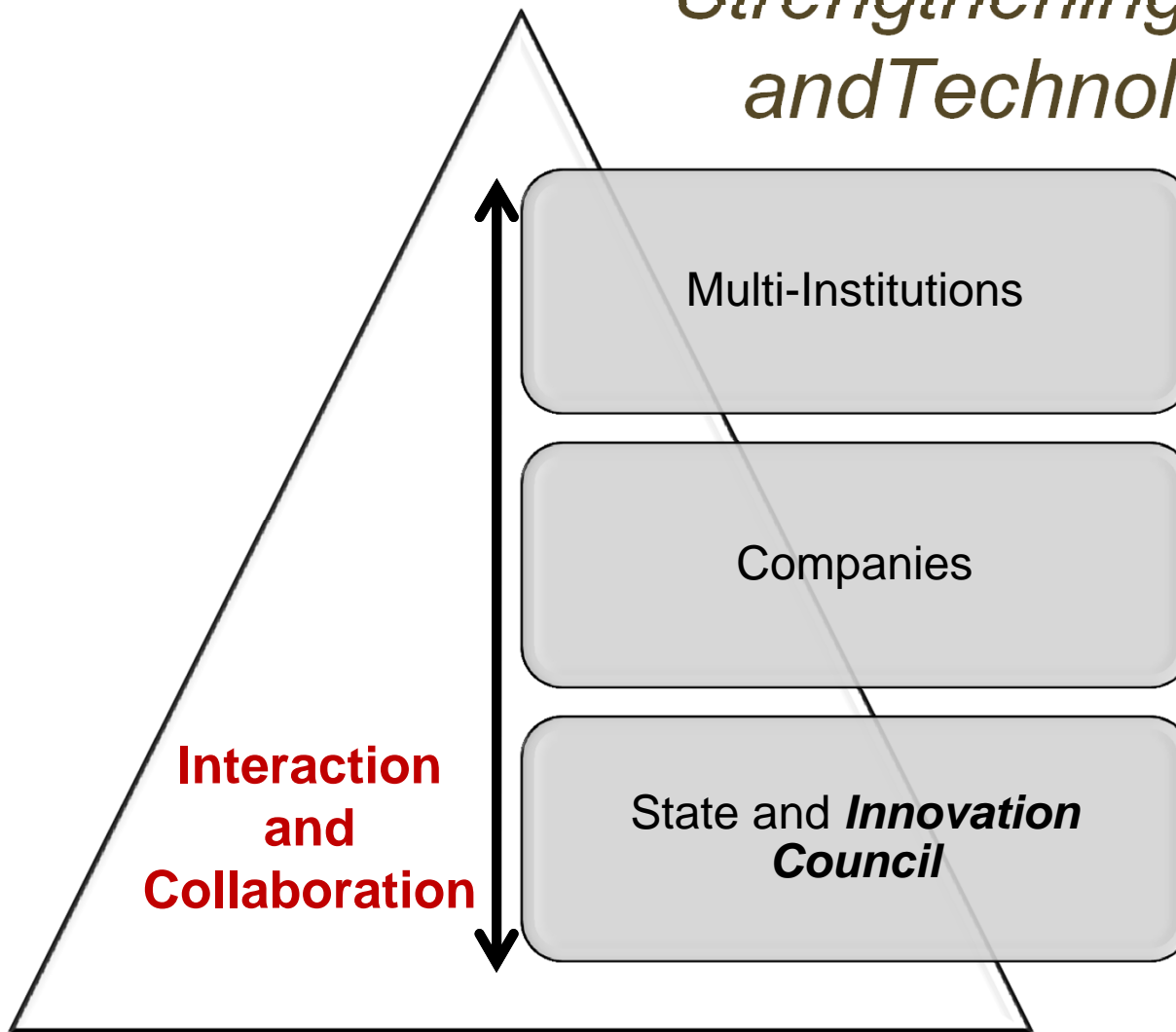
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# Low Interest Loan Fund

- Research Parks and Incubators could borrow funds at low interest rates to build or finish facilities
- Funds are repaid to the State
- State-wide participation
- *Annual Budget.* \$7,000,000

# The Future

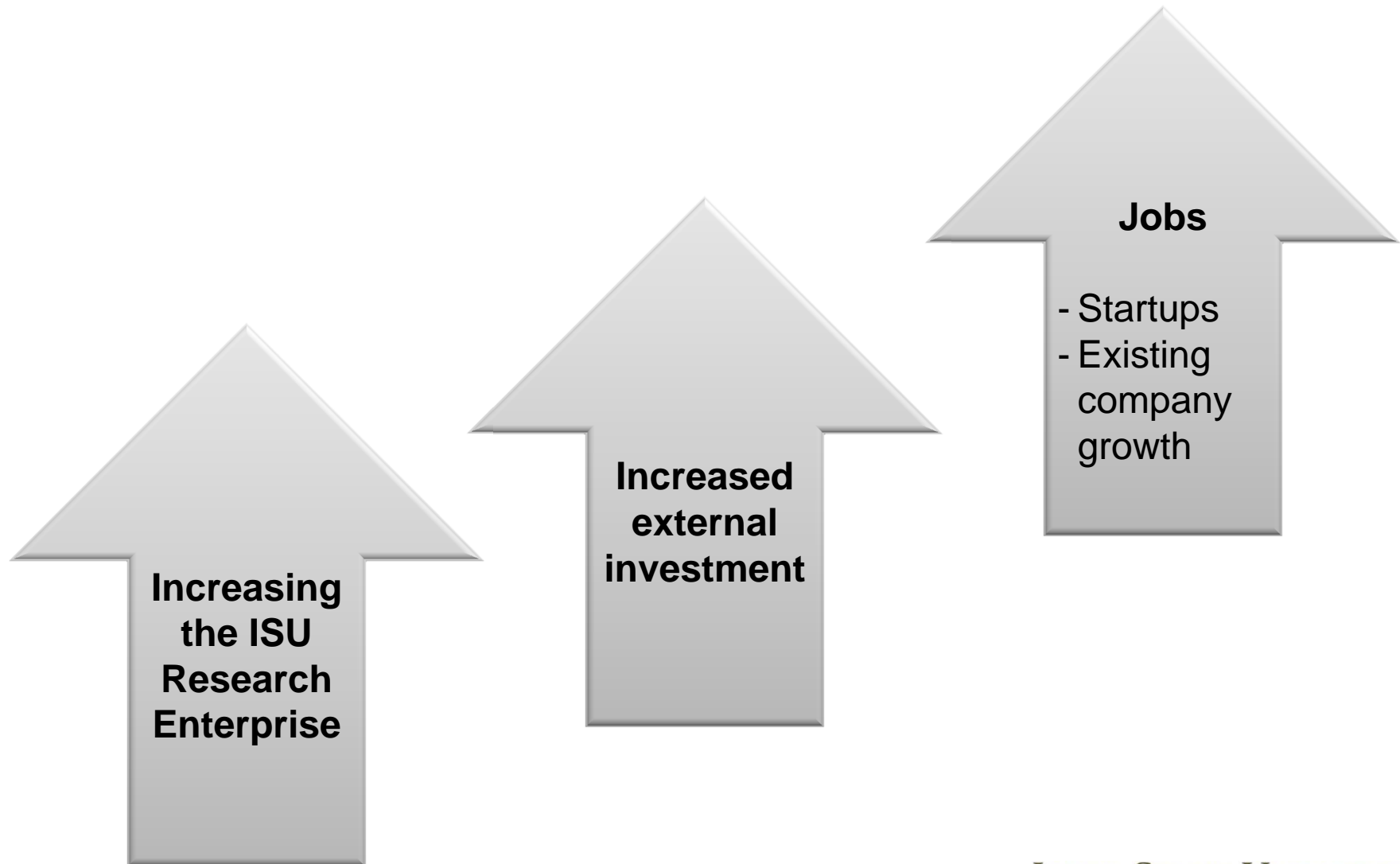
*Strengthening Research  
and Technology Transfer*



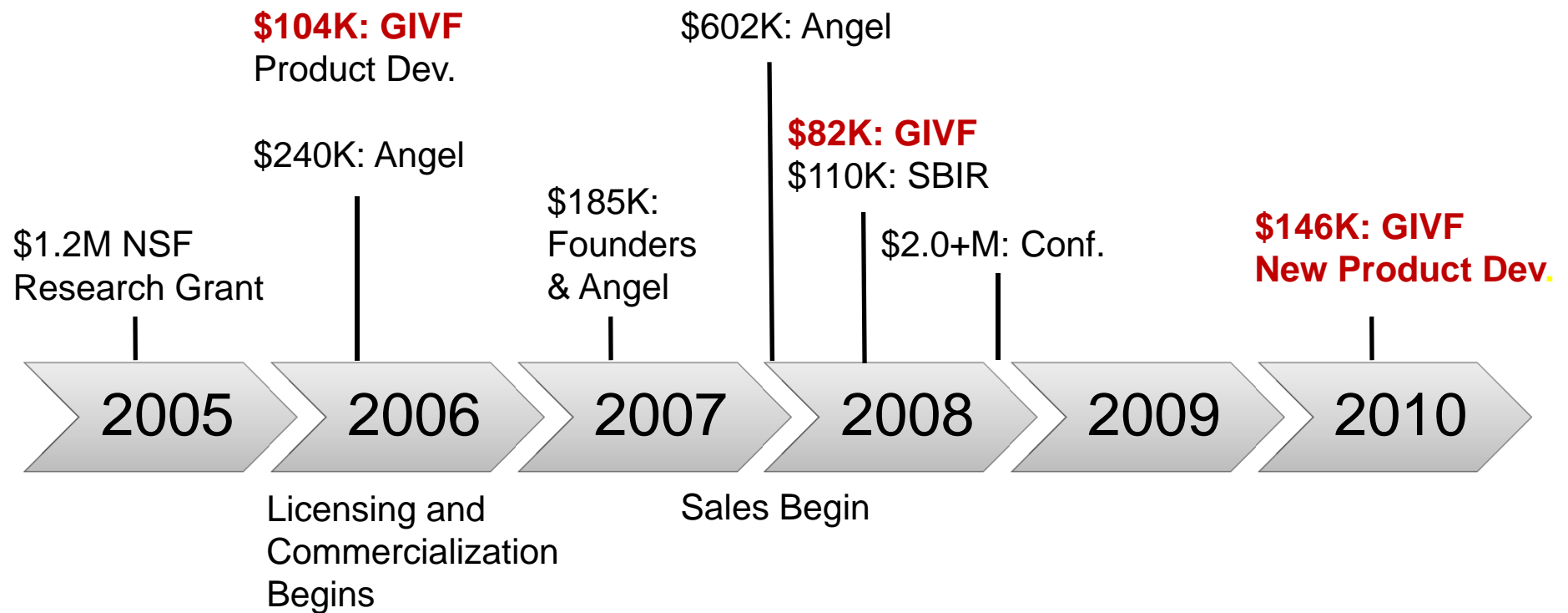
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# Leveraging State Funds



# Leverage Example – Patented Technology



<b>Company Formation</b>	Valuation \$2.1M	Valuation \$3.3M	Valuation \$7.3M
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THANK YOU FOR YOUR SUPPORT.

THE SUPPORT CONTINUES TO MAKE A  
DIFFERENCE TO IOWA AND OUR CITIZENS!

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